



DEPARTMENT OF ENERGY

Western Area Power Administration

Washoe Project, Stampede Division - Rate Order No. WAPA-201

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of proposed non-firm power formula rate.

SUMMARY: The Sierra Nevada Region of the Western Area Power Administration (WAPA) proposes a minor rate adjustment for the non-firm power formula rate for the Washoe Project, Stampede Division. The proposed rate will go into effect on October 1, 2022, and will remain in effect through September 30, 2027. The proposed rate is unchanged from the existing Washoe Project formula rate in Rate Schedule SNF-7, which expires on September 30, 2022.

DATES: A consultation and comment period will begin [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] and end [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. Sierra Nevada Region will present a detailed explanation of the proposed non-firm power formula rate and other modifications at a public information forum on the following date and time:

1. Friday, April 22, 2022, from 9 a.m. PDT to no later than 12 p.m. PDT.

Sierra Nevada Region will accept oral and written comments at a public comment forum on the following date and time:

1. Friday, April 22, 2022, starting at 1 p.m. PDT, to remain open until all comments are acknowledged, or no later than 4 p.m. PDT.

Sierra Nevada Region will conduct both the public information forum and public comment forum via WebEx. Instructions for participating in the forums via WebEx will be posted on Sierra Nevada Region's website at least 14 days before the public

information and comment forums at <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx>.

The Sierra Nevada Region will accept written comments at any time during the consultation and comment period.

ADDRESSES: Written comments and requests to be informed of Federal Energy Regulatory Commission (FERC) actions concerning the proposed non-firm power formula rate submitted by WAPA to FERC for approval should be sent to: Ms. Sonja Anderson, Regional Manager, Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, California 95630, or email: SNR-RateCase@wapa.gov. WAPA will post information about the proposed non-firm power formula rate and written comments received to its website at: <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx>.

FOR FURTHER INFORMATION CONTACT: Ms. Autumn Wolfe, Rates Manager, Sierra Nevada Region, Western Area Power Administration, (916) 353-4686 or email: SNR-RateCase@wapa.gov.

SUPPLEMENTARY INFORMATION: On April 16, 2009, FERC approved and confirmed the Sierra Nevada Region Washoe Project, Stampede Division's non-firm power formula rate, Rate Schedule SNF-7, under Rate Order No. WAPA-136, on a final basis through July 31, 2013.¹ FERC subsequently approved two consecutive 5-year rate extensions in Docket Nos. EF13-5-000 and EF17-1-000, extending the rate through September 30, 2022.²

The existing non-firm power formula rate provides sufficient revenue to recover annual costs within the cost recovery criteria set forth in Department of Energy (DOE)

¹ *U.S. Dep't of Energy – W. Area Power Admin. (Washoe Project, Stampede Division)*, 127 FERC ¶ 62,043 (2009). Rate Order No. WAPA-136, issued June 14, 2008, had placed the rate into effect on an interim basis effective August 1, 2008.

² 144 FERC ¶ 62,213 (2013) and 159 FERC ¶ 62,047 (2017).

³ See 10 CFR 903.2(e).

Order RA 6120.2. The proposed rate is unchanged from the existing Washoe Project formula rate in Rate Schedule SNF-7, which expires on September 30, 2022. WAPA intends the proposed non-firm power formula rate to go into effect on October 1, 2022. The proposed non-firm power formula rate would remain in effect until September 30, 2027, or until WAPA changes the non-firm power formula rate through another public rate process pursuant to 10 CFR part 903, whichever occurs first.

The Stampede Powerplant has two units with a maximum hourly operating capability of 3,650 kilowatts (kW) and an estimated annual generation of 11 million kilowatt-hours (kWh). Since the Stampede Powerplant has an installed capacity of less than 20,000 kW and generates less than 100 million kWh annually for sale, the proposed rate constitutes a minor rate adjustment under the applicable regulations.³

History of the Washoe Project, Stampede Division

Stampede Dam and Reservoir are located on the Little Truckee River in Sierra County, California, about 11 miles northeast of the town of Truckee. The Washoe Project was designed to improve the regulation of runoff from the Truckee and Carson River system and to provide supplemental irrigation water and drainage, as well as water for municipal, industrial, fishery use, flood protection, fish and wildlife benefits and recreation. The power generation is used principally to provide energy for two Federal fish hatcheries: Lahontan National Fish Hatchery and Marble Bluff Fish Hatchery.

When the Stampede Dam and Reservoir project was first authorized, under Pub. L. No. 84-858, on August 1, 1956, hydroelectric power development was included. During the period 1966-1970, when Stampede Dam was built, power facilities were not constructed because the power function was not economically justified. Provisions were made to facilitate the addition of power facilities at a later date.

In July 1976, a preliminary reevaluation of a powerplant at Stampede was conducted

and published in a special U.S. Department of Interior, Bureau of Reclamation (Reclamation) report, *Adding Powerplants at Existing Federal Dams in California*. In the report, Reclamation recommended construction of a Stampede Powerplant. As a result, definitive plan studies were initiated in Fiscal Year 1977, and construction of the powerplant was completed in 1987. A one-half-mile, 60-kilovolt transmission line, owned by Sierra Pacific Power company, interconnects the Stampede power facilities with WAPA's transmission system.

Under section 205(c) of the Fallon Paiute Shoshone Indian Tribes Water Rights Settlement Act of 1990, Congress declared all Washoe Project costs non-reimbursable except the Stampede Powerplant.⁴ This was necessary because a 1982 court order requires that Stampede be operated for the benefit of endangered or threatened fish at Pyramid Lake.⁵ The energy generated by the powerplant has a priority reservation for designated Washoe Project loads. All remaining energy generation is sold on a non-firm basis under the conditions outlined in Sierra Nevada Region's contract with a third-party contractor. Energy generated at Stampede Powerplant is dependent on the run of the river and is therefore considered non-firm.

Since the Washoe Project has no Federally owned transmission lines, Sierra Nevada Region contracted with Truckee Donner Public Utility District and the City of Fallon (TDF) to accept Stampede generation and serve project use loads. Energy in excess of project use loads is integrated with the Central Valley Project (CVP) and marketed under the 2004 and 2025 Power Marketing Plans. Under the proposed Rate Schedule WSH-1, each year any remaining reimbursable expenses that exceed the revenue collected under the TDF contract are transferred to CVP and incorporated into the CVP power revenue

⁴ See Pub. L. No. 101-618, 104 Stat. 3289, 3307 (1990).

⁵ See *Carson-Truckee Water Conservancy Dist. v. Watt*, 549 F. Supp. 704, 710 (D. Nev. 1982), *aff'd in part and vacated in part sub nom. Carson-Truckee Water Conservancy Dist. v. Clark*, 741 F.2d 257, 260 (9th Cir. 1984).

requirement (PRR). CVP customers that participate in the Renewable Energy Credit (REC) program receive a share of the Stampede RECs annually based on the annual percentage of revenue share they transfer to the Washoe Project.

Stampede Non-Firm Power Formula Rate

There are no changes from the existing formula rate to the proposed formula rate. The proposed formula rate for Stampede's non-firm power is designed to recover an annual revenue requirement that includes investment repayment, interest, purchase power, reimbursable operation and maintenance expenses, and other expenses. The proposed formula rate for Stampede power is:

$\text{Stampede Annual Transferred PRR} = \text{Stampede Annual PRR} - \text{Stampede Revenue}$

Where:

Stampede Annual Transferred PRR = Stampede Annual PRR as identified as a cost transferred to the CVP.

Stampede Annual PRR = the total PRR for Stampede required to repay all annual costs, including interest, and the investment within the allowable period.

Stampede Revenue = Revenue from applying the Stampede Energy Exchange Account (SEEA) rate to project generation.

The SEEA is an annual energy exchange account for Stampede energy. Under the contract, TDF accepts delivery of all energy generated from Stampede and integrates this generation into its resource portfolio. The monthly calculation of revenue from Stampede energy received by TDF is credited into the SEEA at the SEEA rate. WAPA can use the SEEA to benefit project use facilities and market energy from Stampede to CVP preference entities.

In the SEEA, the revenues from sales (generation revenues) made at the SEEA rate are reduced by the project use, station service power costs, and SEEA administrative costs. WAPA applies the ratio of project use cost to the generation revenue recorded in

the SEEA to determine a non-reimbursable percentage. One hundred percent minus the non-reimbursable percentage establishes a reimbursable percentage. This reimbursable percentage is then applied to the appropriate power-related costs to determine the reimbursable costs for repayment. The reimbursable costs are then netted against generation revenues made at the SEEA rate.

Legal Authority

Existing DOE procedures for public participation in power and transmission rate adjustments (10 CFR part 903) were published on September 18, 1985, and February 21, 2019.⁶ The proposed action constitutes a minor rate adjustment, as defined by 10 CFR 903.2(e)(2). In accordance with 10 CFR 903.15(a) and 10 CFR 903.16(a), Sierra Nevada Region will hold a public information and public comment forum for this minor rate adjustment. Sierra Nevada Region will review and consider all timely public comments at the conclusion of the consultation and comment period and make amendments or adjustments to the proposal as appropriate. Proposed rates will then be approved on an interim basis.

WAPA is establishing the non-firm power formula rate for Washoe Project, Stampede Division in accordance with section 302 of the DOE Organization Act (42 U.S.C. 7152).⁷

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated: (1) the authority to develop power and transmission rates to the WAPA Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, or to remand or disapprove such rates, to FERC. By Delegation Order No. S1-DEL-S4-2021, effective February 25, 2021,

⁶ 50 FR 37835 (Sept. 18, 1985) and 84 FR 5347 (Feb. 21, 2019).

⁷ This Act transferred to, and vested in, the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation (Reclamation) under the Reclamation Act of 1902 (Ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); and other acts that specifically apply to the project involved.

the Acting Secretary of Energy also delegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Under Secretary for Science (and Energy). By Redlegation Order No. S4-DEL-OE1-2021-2, also effective December 8, 2021, the Under Secretary for Science (and Energy) redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to the Assistant Secretary for Electricity. By Redlegation Order No. 00-002.10-05, effective July 8, 2020, the Assistant Secretary for Electricity further redelegated the authority to confirm, approve, and place such rates into effect on an interim basis to WAPA's Administrator. This redelegation order, despite predating the December 2021 delegations, remains valid.

Availability of Information

All brochures, studies, comments, letters, memorandums, or other documents that Sierra Nevada Region initiates or uses to develop the proposed non-firm power formula rate are available for inspection and copying at the Sierra Nevada Region, Western Area Power Administration, 114 Parkshore Drive, Folsom, California 95630. Many of these documents and supporting information are also available on WAPA's website at <https://www.wapa.gov/regions/SN/rates/Pages/Rate-Case-2022-WAPA-201.aspx>.

RATEMAKING PROCEDURE REQUIREMENTS

Environmental Compliance

WAPA is in the process of determining whether an environmental assessment or an environmental impact statement should be prepared or if this action can be categorically excluded from those requirements.⁸

Determination Under Executive Order 12866

WAPA has an exemption from centralized regulatory review under Executive Order 12866; accordingly, no clearance of this notice by the Office of Management and Budget

⁸ In compliance with the National Environmental Policy Act (NEPA) of 1969, as amended, 42 U.S.C. 4321-4347; the Council on Environmental Quality Regulations for implementing NEPA (40 CFR parts 1500-1508); and DOE NEPA Implementing Procedures and Guidelines (10 CFR part 1021).

is required.

Signing Authority

This document of the Department of Energy was signed on March 22, 2022, by Tracey A. LeBeau, Administrator, Western Area Power Administration, pursuant to delegated authority from the Secretary of Energy. That document, with the original signature and date, is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, DC, on March 31, 2022.

Treena V. Garrett,
Federal Register Liaison Officer,
U.S. Department of Energy.

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